

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 MANILA 001059

SIPDIS

DEPT FOR EAP/PMBS
NSC FOR GREEN

E.O. 12958: DECL: 03/07/2015

TAGS: [PREL](#) [MARR](#) [PINS](#) [PTER](#) [AS](#) [NZ](#) [JA](#) [RP](#)

SUBJECT: DEFENSE SECRETARY FOCUSED ON PDR AND
COUNTERINSURGENCY

Classified By: (U) Political Officer Paul O'Friel
for reasons 1.4(b) and (d).

11. (C) SUMMARY. Defense Secretary Cruz has made Philippine Defense Reform (PDR) the centerpiece of his tenure, and is also focused on ending the country's multiple insurgencies within the first six years of the 18-year PDR program. His new approaches include the "500 barangay" program, which will enlist civilian agencies in the counterinsurgency effort. According to Cruz's Chief of Staff, PDR will be high on the Philippine Defense Secretary's agenda during his upcoming trips to Australia and New Zealand. END SUMMARY.

PDR FRONT AND CENTER

12. (C) According to Brigadier General Lamberto "Bert" Sillona (ret.), Secretary of National Defense Avelino Cruz's Chief of Staff, Cruz plans a series of meetings with Department of National Defense (DND) personnel beginning March 7 to ensure the entire Department understands and is on board with PDR objectives. Sillona told poloff that Cruz views PDR as the centerpiece of his mandate as Defense Secretary, and its success (or failure) will be the defining criterion of his own tenure.

13. (C) Admitting that many of the personnel and organizational reforms proposed by PDR, such as a fixed tenure for the Chief of Staff and service chiefs and reducing the number of Philippine Army divisions, would require new legislation, Sillona said his boss was pushing the DND staff hard to come up with a new National Defense law. A first draft, however, failed to pass muster with the eagle-eyed Cruz (one of the Philippines' most able attorneys and previously legal counsel to the President). Sillona claimed Cruz "threw it in the trash" and directed his staff to come up with a better effort.

14. (C) Sillona commented that PDR will be high on the agenda during Cruz's planned April 2005 visits to Canberra and Wellington, where he intends to solicit Australian and New Zealand support for PDR. He separately also plans to enlist Japanese backing for the effort.

ENDING INSURGENCIES

15. (C) Sillona stated Cruz wants within the first six years of the 18-year PDR effort "to finish" the insurgencies plaguing the Philippines. According to Sillona, Cruz had directed Armed Forces of the Philippines (AFP) Chief of Staff General Efren Abu to come up with a concrete list of the equipment he needs to combat the insurgencies. Cruz told Abu to work with an projected budget of 5 billion pesos (approximately USD92.5 million) per year, but also instructed the Chief of Staff to come up with possible funding sources, e.g., new taxes or sale of excess military property.

16. (C) Sillona also described Cruz's intention to develop a more holistic approach to counterinsurgency. He noted that the "500 barangay (precinct)" program would identify communities located primarily in areas controlled by the Communist Party of the Philippines/New People's Army and develop them as models of what the GRP can do for its citizens. AFP engineering, civil affairs, and medical outreach efforts would be coordinated and in sync with concurrent efforts by the Department of Public Works and Highways (DPWH) and the Department of Social Welfare and Development (DSWD). Sillona related how Cruz had asked DPWH to furnish a map of planned road construction over the next five years. Cruz then sought the advice of General on which are the key roads and subsequently intervened personally with President Arroyo to get DPWH to readjust its priorities to meet counterinsurgency needs. (Note: The DND will brief donors on the "500 barangay" program at the World Bank-chaired donors' coordination group March 7-8. End Note.)

17. (C) COMMENT. Cruz reportedly told the Canadian Ambassador during a recent courtesy call that he was interested in only "boots and bullets," disappointing

Canadian attempts to flog high-ticket weapons. Thus far in his short tenure, Cruz seems to have focused on the right priorities, and appears well served by his earlier role in privatizing the moribund Philippine telecommunications industry in the 1990's. Taking a leaf out of a MBA textbook, he has established an agenda and is now in the process of reorienting the leviathan and often hide-bound Philippine military to his way of thinking. While canny and articulate and with excellent access to his President, Cruz will also need some luck and strong support from us to see PDR through.

Visit Embassy Manila's Classified website:
<http://www.state.sgov.gov/p/eap/manila/index.cfm>
Ricciardone